



nyrej

Daniel and Sullivan of Knighthead arrange \$22 million for Cayuga to convert warehouse into fitness facility

April 16, 2019 - Financial Digest

Jonathan Daniel,
Knighthead Funding

Brooklyn, NY Knighthead Funding LLC has provided Cayuga Capital Management with \$22 million in short-term debt to finance the conversion of a vacant warehouse into a 46,000 s/f retail facility.

Proceeds from Knighthead Funding's 24-month financing will be used to complete building renovations and tenant improvements for a California-based fitness operator, which recently signed a long-term lease to occupy the entire building. Located at 1 Nassau Ave. in the Williamsburg neighborhood, the site will be the home for the first east coast rock climbing and fitness facility for Vital Climbing Gym, which will take occupancy in April 2020. Vital Climbing currently operates three gyms in Southern California and one in Bellingham, WA.

"The sponsors have strong experience redeveloping, managing, and repositioning similar assets, including three in Williamsburg and Bushwick," said Knighthead principal Jonathan Daniel, who with vice president Brian Sullivan, arranged the financing. "The target customer for Vital Climbing Gym fits well with the demographic make-up of Williamsburg."

The borough's growing number of Millennial-age residents is a strong fit for this type of facility, which has been growing in popularity among younger individuals looking for different exercise outlets. In addition to climbing, the gym will offer yoga classes, spin classes, as well as traditional fitness equipment. There are also two hotels situated within five blocks of the facility, making it a possible workout destination for guests.

Knighthead expects to originate more than \$600 million in short-term debt in 2019. In the past quarter, Knighthead has originated more than \$100 million in short-term bridge debt secured by a variety of asset types in California, Florida, Georgia, Chicago, New York, Texas, and Washington.

New York Real Estate Journal - 17 Accord Park Drive #207, Norwell MA 02061 - (781) 878-4540